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Fact File

Insurance Ireland Factfile

2015

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About Us

INSURANCE IRELAND
THE VOICE OF INSURANCE

Representing 95% of the domestic insurance and 80% of the International life insurance market, Insurance Ireland is the voice of the sector in Ireland, making important representations on behalf of member companies to all of our stakeholders, including Government, media, customers and the wider public.

Insurance Ireland members pay out more than €10 billion in claims and benefits to Irish customers and contribute over €1.8 billion in tax to the Irish exchequer per annum. Our industry holds over €200 billion in assets in Ireland of which €35 billion is invested in Irish infrastructure and Government debt. It generates €36bn in premium income (domestic and overseas) and employs more than 28,000 people.

As the Voice of Insurance, Insurance Ireland's key functions include:

- Representing members' interests to Government, state agencies, regulatory bodies, public representatives, national interest groups, the media and the general public
- Representing the position of members at a European level, particularly via Insurance Europe, the European Association for national insurance company representative bodies, and at a global level via the Global Federation of Insurance Associations (GFIA)
- Keeping members abreast of relevant policy and regulatory developments and providing a forum for member debates on such issues
- Providing information to Government, the wider policymaking community and the public about insurance

About Factfile

Factfile 2015 is part of a series published by Insurance Ireland annually, providing the key facts and figures on the industry in Ireland. This is the twenty-third year of publication and the Insurance Ireland Factfile is now a well established primary source of information on the domestic and international business of insurers based in Ireland.

The data is collected from members of Insurance Ireland unless otherwise indicated.

AXA Ireland are included in the 2011 Insurance Ireland non-life market figures, are not included in the 2012 figures and are included in the 2013, 2014 and 2015 analysis.

23 YEARS
IN PRODUCTION

Executive Summary

The Irish Insurance Market - A Comparative Overview

- Gross insurance premium income for life and non-life insurance combined was €13,439.1m. In 2015, compared to €11,645m in 2014 – an increase of 15.4%. Premium income as a percentage of GDP was 6.6%. Premiums per capita increased from €2,532 in 2014 to €2,922 in 2015
- The capital values of assets in many investment areas increased in 2015. Assets comprising life policyholders' funds and non-life technical reserves stood at €104.6bn at the end of the year
- The insurance sector is a major employer in the Irish economy. Insurance Ireland life and non-life member companies employed over 15,284 people in Ireland as of the end of December 2015

Life Assurance and Pensions Market

- Insurance Ireland's life assurance members' aggregate domestic premium income was €10,577m for 2015, an increase of 18% on the previous year (€8,989m)
- New annual premium (AP) business was €543m, up 11% from €490m in 2014
- An increase of 24% was recorded for new single premium (SP) business in 2015 (€7,556m)
- New business Annual Premium Equivalent (AP sales + 10% of SP sales) rose 18% to €1,299m compared with €1,100 in 2014
- €8,969 in benefits and claims was paid by domestic life assurance companies during 2015, an increase of 8% on 2014
- The total value of life assurance protection in force at the end of 2015 was estimated at €392bn, compared to €382bn at the end of 2014, an increase of 2.5%
- The aggregate value of policyholders' funds managed by Insurance Ireland life members increased by 10.6% to €98,712m. The value of equity payments, which represented 52% of total policyholders' funds at the end

of 2015, increased by 14% from €44,972m in 2014 to €51,360m in 2015

- The value of life assurance funds invested in gilts increased by 1% to €27,921m in 2015, and now represents 28.3% of life assurance investments
- Cash holdings increased from 8.9% in 2014 to 9.5% in 2015, with a value of €9,363m
- Property assets increased from €3,606m in 2014 to €4,401 in 2015. This represents 4.5% of total life assurance investments

Non-Life Insurance Market

- Insurance Ireland's 19 domestic non-life members write in excess of 95% of Irish non-life insurance business in the established market. Combined, Insurance Ireland members wrote gross premiums of €2,862m in 2015 (up 7.8% on 2014)
- Motor insurance remains the largest class of non-life insurance with gross written premium of €1,357m (47% of all non-life business). Property is the second largest class of non-life business (29%). Liability insurance accounts for 18% of non-life business and is the third largest class
- Net written premiums (i.e. total premiums after reinsurance costs have been deducted) were €1,857m (down 14.2% on 2014). Net earned premiums were €1,829m in 2015 (down 15.4% on 2014)
- The number of new claims notified to Insurance Ireland members was 394,156. 58% of new claims were motor claims while 18% were made on property insurance policies (household and commercial property)
- Net incurred claims costs amounted to €1,510m (down 9.8% on 2014) leading to a net underwriting loss in 2015 of €339m compared with a net underwriting loss of €241m in 2014. After investment income is added, the market made a net operating loss of €216m compared with a net operating loss of €78m in 2014

International Life Assurance Market

- The vast majority of international premium income is new single premium income. In 2015, the figure for Insurance Ireland's International life members was €20,583m, an increase of 5.8% on last year's figure of €19,450m
- Annual premium income for 2015 was €296.5m. This represents a 20% increase on the figure for 2014 of €247.1m
- Over the five-year period from 2011-2015, single premium business grew from €5,371m in 2011 to €20,583m in 2015. Annual premium income also increased from €67m to €296m over the same period
- The top two countries for single premium business were Italy and the United Kingdom
- 98.5% of international single premium income is represented by unit linked single premium business (Class III)

Health Insurance Market

- Insurance Ireland's four health insurance members write approximately 96% of health insurance in the Irish domestic market. Combined, Insurance Ireland members wrote gross premiums of €2,353m in 2015. Gross incurred claims in 2015 amounted to €1,954m while the number of new claims notified to Insurance Ireland health insurance members in 2015 was 1,557,826

The Irish Insurance Market

This chapter provides an overview of trends in the Irish insurance market, both from a recent historical perspective (2011-2015) and in an international context. In addition, data is provided which sets the insurance sector in the context of the wider economy in terms of Gross Domestic Product

(GDP), premiums per head of population and employment. The insurance data presented in this chapter is provided by Insurance Ireland domestic insurance members and does not represent international or health insurance members.

THE INSURANCE MARKET IN THE ECONOMY

2015 Premium Income - Life and Non-Life

Year	Life	Non Life	Total
Gross Premium Income (€m)	10577.1	2862.0	13439.1
Premium Income: GDP (%)	5.20	1.41	6.60
Premiums per capita (€)	2299	622	2922
Investments* (€m)	98712	5911	104623

* Policyholders' funds (life assurance) and Technical Reserves (non-life) at 31st December 2015

Gross insurance premium income for life and non-life insurance combined was €13,439.1m, compared to €11,645m in 2014 – an increase of 15.4%. Premium income as a percentage of GDP was 6.6%. Premiums per capita increased from €2,532 in 2014 to €2,922 in 2015.

The capital values of assets in many investment areas increased in 2015. Assets comprising life policyholders' funds and non-life technical reserves was €105bn at the end of the year.

II Members' Gross Premium Income 2011-2015

Year	Life €m	Non Life €m	Total €m
2011	8485.6	2893.7	11379.3
2012	8150.2	2433.8	10584.0
2013	8739.0	2573.6	11312.6
2014	8988.6	2656.4	11645.0
2015	10577.1	2862.0	13439.1

Life gross premium income decreased from €8,485.6m in 2011 to €8,150.2m in 2012 and then increased to €10,557.1m in 2015. Non-life gross written premium declined after 2011

and has since increased from €2,433.8m in 2012 to €2,862m in 2015.

Gross Premium Income and Domestic Product 2011-2015*

Year	Gross Insurance Premium Income €m	GDP * €m	Premium Income:GDP %
2011	11379.3	176643	6.4
2012	10584.0	176910	6.0
2013	11312.6	179448	6.3
2014	11645.0	188778	6.2
2015	13439.1	203524	6.6

*Chain linked volume measures referenced to year 2013

Market combined life and non-life premium income declined from 2011 to 2012 but has increased each year since from €10,584m in 2012 to €13,439.1m in 2015. Premium income

as a percentage of GDP has also increased from 2012 to 2015 to reach 6.6%.

Life & Non-Life premiums as a Percentage of GDP for Ireland 2011-2015

Year	Life Premium as % of GDP	Non-Life Premium as % of GDP	Total w/out Intl %
2011	4.8	1.6	6.4
2012	4.6	1.4	6.0
2013	4.9	1.4	6.3
2014	4.8	1.4	6.2
2015	5.2	1.4	6.6

Life premiums as a percentage of GDP fell from 4.8% in 2011 to 4.6% in 2012 before rising to 4.9% in 2013 and falling to 4.8% in 2014. This figure then rose to 5.2% in 2015.

Non-life premiums as a percentage of GDP fell from 1.6% in 2011 to 1.4% in 2012 and have remained at 1.4% of GDP since.

Year-End Value of Investments

	2011 €bn	2012 €bn	2013 €bn	2014 €bn	2015 €bn	% Change p.a.
Life	71.838	79.208	82.309	89.217	98.712	8.3
Non-life	7.761	5.696	6.462	6.343	5.911	-6.6
Total	79.599	84.904	88.771	95.560	104.623	7.1

The value of life policyholders' funds increased from €71.8bn in 2011 to €98.7bn in 2015, an average growth rate of 8.3% over the period. Non-life technical reserves fell from €7.7bn in 2011 to €5.7bn in 2012, but rose in 2013 to €6.5bn

before falling to €5.9bn in 2015 with an average percentage change of -6.6% over the five years.

The total value of life and non-life assets was €104.6bn in 2015.

Life Assurance Benefits and Claims Paid 2011-2015

Year	Amount €m
2011	8736
2012	8996
2013	8923
2014	8292
2015	8969

€8,969m was paid out by life assurance companies in benefits and claims in 2015. These payments and benefits cover a wide range of areas, including:

- Income and payouts on investment policies for policyholders
- Payment of death benefits which protect family income
- Payment of annuity income to pension policyholders
- Repayment of mortgages in the event of death of a policyholder
- Lump sum payouts to policyholders with serious illness cover

Non-Life Insurance Premiums and Claims 2011-2015

Year	Gross Earned Premium €m	Gross Incurred Claims €m
2011	2996	1791
2012	2485	1585
2013	2630	1818
2014	2653	1891
2015	2758	2101

The downward trend in gross earned premium for non-life insurance reversed in 2013 and stood at €2,758m in 2015.

Gross incurred claims followed a similar downward trend from 2009 onwards but increased in 2013 and reached €2,101m in 2015.

Employment in Insurance Companies in Ireland

Employment in Insurance Companies in Ireland as at 31st December 2015	
Life	6998
Non-Life	8286
Total	15284

The insurance sector is a major employer in the Irish economy. Insurance Ireland life and non-life member companies employed over 15,284 people in Ireland as of the end of December 2015. In addition, significant numbers are employed in the wider insurance industry e.g. broking, loss adjusting and assessing, and in outsourced service providers.

The 2015 Irish insurance market is set in both a European and a global context in this table. As with Ireland's GDP (0.3%), its global share of total gross insurance premiums (1.2%) is high relative to the country's population (0.06%). This reflects the developed market in Ireland for insurance and the relatively high levels of coverage in major classes of business (motor, property, liability, pensions and mortgage protection) compared to other countries, particularly in less economically developed areas.

The Irish Insurance Market in the World 2015

	Global Share %					Total Gross Premiums as % of GDP	Total Gross Premiums Per Capita USD
	Population	GDP	Life Gross Premiums	Non-Life Gross Premiums	Total Gross Premiums		
Ireland	0.06	0.32	1.87	0.38	1.21	7.87	3,927
EU	7.26	22.41	32.37	26.35	29.70	7.57	2,412
OECD	17.47	62.73	78.14	80.31	79.10	7.60	2,718
Europe	11.19	26.61	34.42	29.54	32.26	6.89	1,634
America*	13.47	33.89	26.36	45.61	34.90	6.42	1,610
Asia	58.82	34.49	35.70	22.10	29.67	5.34	312
Oceania	0.53	1.97	1.79	1.73	1.77	5.58	2,065
Africa	15.99	3.03	1.72	1.01	1.41	2.90	55
Total World	100.00	100.00	100.00	100.00	100.00	6.23	621

Figures are rounded USD

Sources: Swiss Re Sigma No 3/2016; CSO; CIA's - The World Factbook and Insurance Ireland

*Includes Latin America and Caribbean

The premium spent per capita for 2015 in Ireland is compared to some other advanced industrialised countries in this table. The figure for Ireland of US\$3,927 is higher than some other European countries such as Italy and Germany but is also lower than others, such as the United Kingdom and The Netherlands. A factor which needs to be noted, particularly when making comparisons with other European states, is that countries such as Germany have higher taxation rates and more developed social insurance systems. Therefore, a greater proportion of the costs associated with accidents are catered for through the social insurance system. This has an impact on the level of compensation awarded for insurance claims made against insurance companies and ultimately on premium rates and volumes.

Insurance density: Premiums per capita 2015

Country	Premium Per Capita 2015 (USD)
Cayman Islands	12619
Switzerland	7370
Hong Kong	6271
Luxembourg	5401
Finland	4963
Denmark	4914
Netherlands	4763
United Kingdom	4359
United States	4096
Taiwan	4094
Ireland	3927
Singapore	3825
Norway	3569
Japan	3554
Sweden	3430
France	3392
Canada	3209
South Korea	3034
Australia	2958
Belgium	2587
Italy	2581
Germany	2563
Austria	2261
New Zealand	2075

Source: Swiss Re Sigma No 3/2016

Life Assurance and Pensions Market

2011–2015

GLOSSARY OF LIFE ASSURANCE TERMS

Annual/Regular Premium Policy

A policy under which the policyholder makes annual/regular payments of premium to finance life assurance protection cover or to build up an investment or retirement fund.

Annual Premium Equivalent (APE)

An industry standard formula for calculating levels of new life and pensions business over a period of time, to smooth out the effect of large, one-off payments. It is the total of new annual premiums plus 10% of single premiums.

Critical Illness Insurance

Critical illness insurance pays the policyholder an agreed sum if he/she contracts one of the serious illnesses specified in the policy documentation. Typical illnesses covered include cancer, stroke, heart attack, multiple sclerosis and kidney failure.

Industrial Branch Business

This refers to regular premium protection business where the life assurance company representative collects premiums, usually on a weekly basis. The importance of this type of business has declined over the years.

Intermediary

An intermediary is a broker or agent who advises clients about their insurance needs, helps them to select the most appropriate policy and provides an ongoing service in all subsequent matters relating to the policy.

Maturity Value

This is the final value of a savings policy if it is allowed to run for the full term specified in the contract.

Pensions/Annuities

For many people, the income they receive from the State on retirement will not be sufficient to support them. For this reason, many people choose to provide for their retirements by taking out pensions with a life assurance company. This is usually done by way of a contract where, in return for a lump sum or a series of regular payments to the life assurance company, the policyholder will receive a regular income at retirement. This regular income during retirement is called an “annuity.”

Income Protection Insurance

Income Protection Insurance (also known as Permanent Health Insurance) is a protection policy that provides an income if the policyholder is unable to work because of sickness or disability. Each policy includes a “deferred period”. The individual must be off work because of illness for longer than the deferred period before an income is payable under the policy. The deferred period is usually 13, 26 or 52 weeks. Cover is available on an individual or group basis (e.g. where an employer establishes a scheme for employees).

Personal Retirement Savings Accounts

Personal Retirement Savings Accounts were introduced as new easy access, low cost, and flexible personal pensions, to encourage individuals who have not already done so to make a provision for retirement. PRSA pension products were launched on the market in early 2003.

Single Premium

A lump sum life investment or pension policy under which the policyholder makes a one-off payment to the life office. The life office uses the money to provide life assurance protection or invests it on the policyholder’s behalf for repayment, with investment gains, at the end of the policy term (or in the case of a pension, purchases retirement benefits for the policyholder at retirement).

2015 Key Life and Pensions Statistics

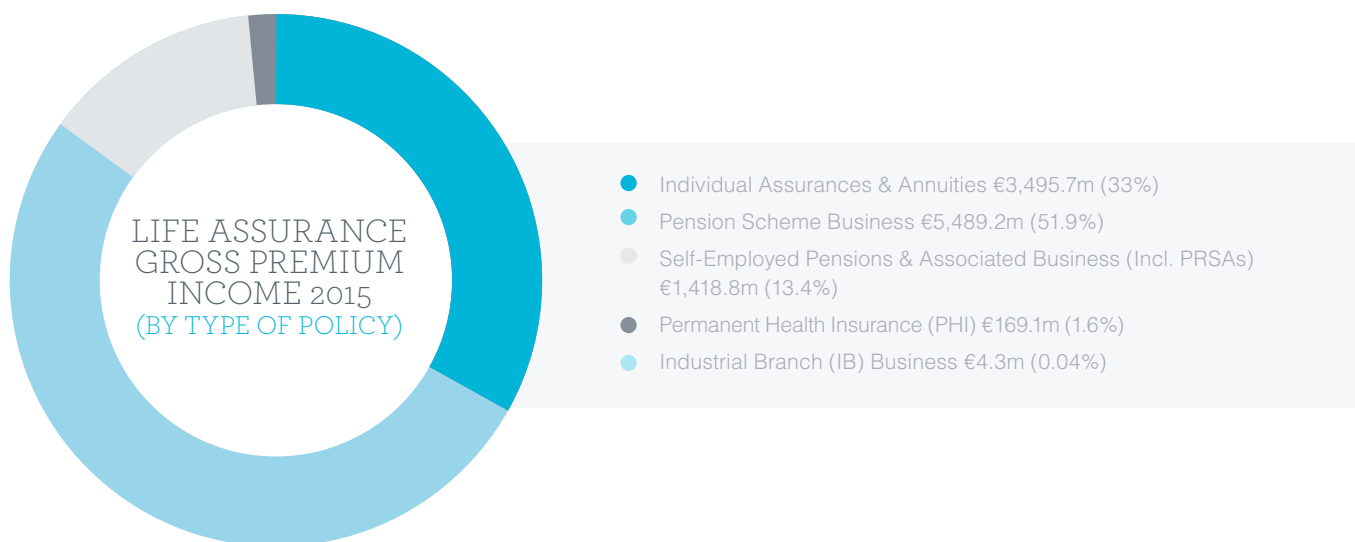
	New Business (€m)			Total Annual Premium €m (3)	All Business €m (2) +(3)
	Annual Premium (1)	Single Premium (2)	A.P.E. (1)+10% of (2)		
Individual Assurances and Annuities	133.3	2305.7	363.9	1190.0	3495.7
Pension Scheme Business	312.1	4093.1	721.4	1396.1	5489.2
Self-employed Pensions (Incl. PRSAs)	73.6	1157.4	189.3	261.4	1418.8
Permanent Health Insurance	23.9	-0.2	23.9	169.3	169.1
Industrial Branch Business	0.0	0.0	0.0	4.3	4.3
Total	542.9	7556.0	1298.5	3021.1	10577.1

Insurance Ireland's life assurance members' aggregate domestic premium income was €10,577m for 2015, which is an increase of 18% on the previous year (€8,989m).

New annual premium (AP) business was €543m, up 11% from €490m in 2014.

An increase of 24% was recorded for new single premium (SP) business in 2015 (€7,556m).

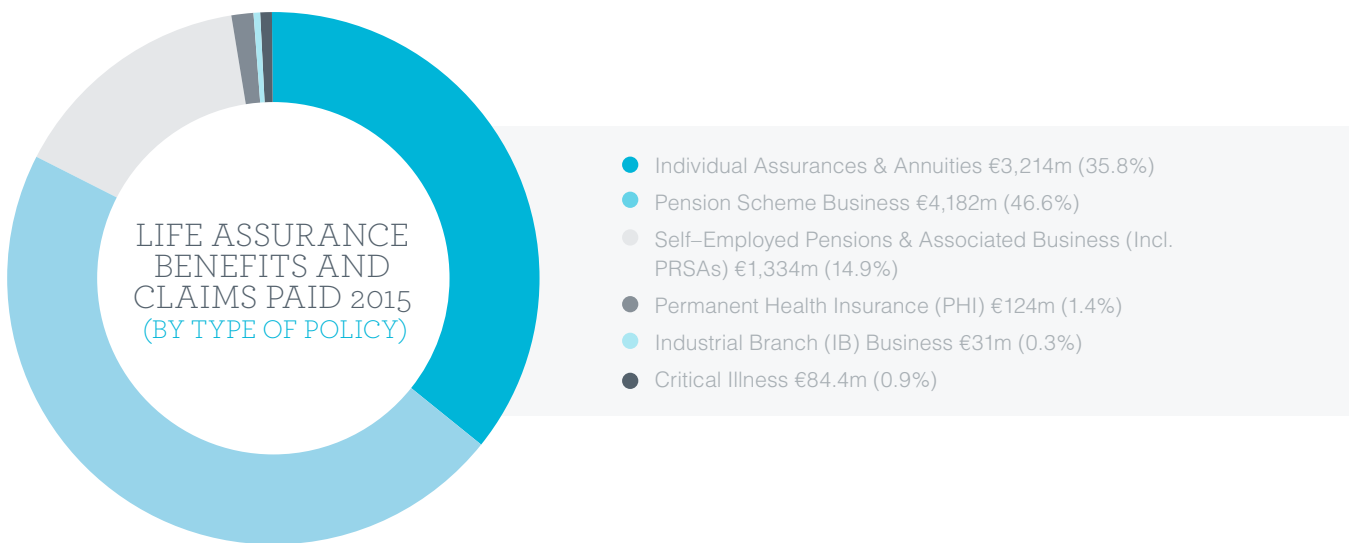
New business Annual Premium Equivalent (AP sales + 10% of SP sales) rose 18% to €1,299m compared with €1,100m in 2014.



Pension scheme business (51.9%) and individual assurances and annuities (33%) continue to be the two main segments of life assurance gross premium income.

The self-employed pensions & associated business (including PRSAs) segment decreased from 15.1% in 2014 to 13.4% in 2015.

Premium income from Permanent Health Insurance (PHI) as a percentage of life assurance gross premium income decreased slightly from 1.9% to 1.6%. Industrial branch business in 2015 decreased to 0.04% compared to 0.05% in 2014.



€8,969m in benefits and claims was paid by domestic life assurance companies during 2015, an increase of 8% on 2014. These payments and benefits cover a wide range of products which take a number of forms, for example: one-off lump sum payments to policyholders in the event of serious illness; or, in the case of pensions, the payment of regular incomes to policyholders/beneficiaries.

The majority of claims were paid under individual assurance/annuity contracts (35.8%, down from 38.3% in 2014) and pension schemes (46.6%, up from 44.6% in 2014), followed by self-employed pensions and associated business (14.9%, up from 14.2% in 2014).

Claims under individual assurance/annuity contracts were up 1.3% to €3,214m in 2015. Claims under self-employed pensions and associated business increased 13% from €1,177m in 2014 to €1,334m in 2015. Pension scheme business increased by 13% from €3,702m to €4,182m. There was a 9% decrease in critical illness pay-outs (to €84.4m) following a 56% increase in 2014.

The total value of life assurance protection in force at the end of 2015 was estimated at €392bn, compared to €382bn at the end of 2014, which is an increase of 2.6%.

Benefits and Claims By Type (€m)	
Surrenders and Maturities	7536.1
Death / Critical Illness Claims	775.9
Annuities	656.8
Total	8968.8

This chart provides a breakdown of benefits and claims by type:

- The largest category is benefits paid on policy surrenders and maturities, with €7,536m paid in 2015 (an increase of 9% on 2014). This category represents 84% of total payments made last year;
- Death and critical illness claims under protection contracts amounted to €775.9m, an increase of 4% on 2014; and
- Annuity payments totalled €656.8m in 2015, up 3% on 2014

Sources of Life Assurance Business

		Brokers %			Agents %			Tied Agents %			Employee & Company Representatives %			Direct %		
		2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
Annual Premium	Life	12	12	11	1	1	1	10	9	8	6	6	5	0	0	0
	Pensions	50	53	51	1	1	0	6	6	6	10	9	8	4	4	8
	Total	62	65	62	2	2	1	16	15	14	16	15	13	4	4	8
Single Premium	Life	4	6	5	0	0	0	3	3	4	3	4	3	41	31	46
	Pensions	30	35	27	1	0	0	2	2	2	2	2	1	13	15	12
	Total	34	41	32	1	0	0	5	5	6	5	6	4	54	46	58

The chart provides a breakdown of the proportion of new business written through the various sales channels. In 2015, brokers' new business market share decreased by three percentage points to 62% for annual premium (AP) business, and by nine percentage points for single premium (SP) business to 32%.

Brokers' AP pensions business decreased by two percentage points to 51% in 2015. SP pensions business increased to 35% in 2014 but has decreased to 27% in 2015. AP for life business reduced marginally to 11% and SP life business decreased from 6% to 5% over the same period.

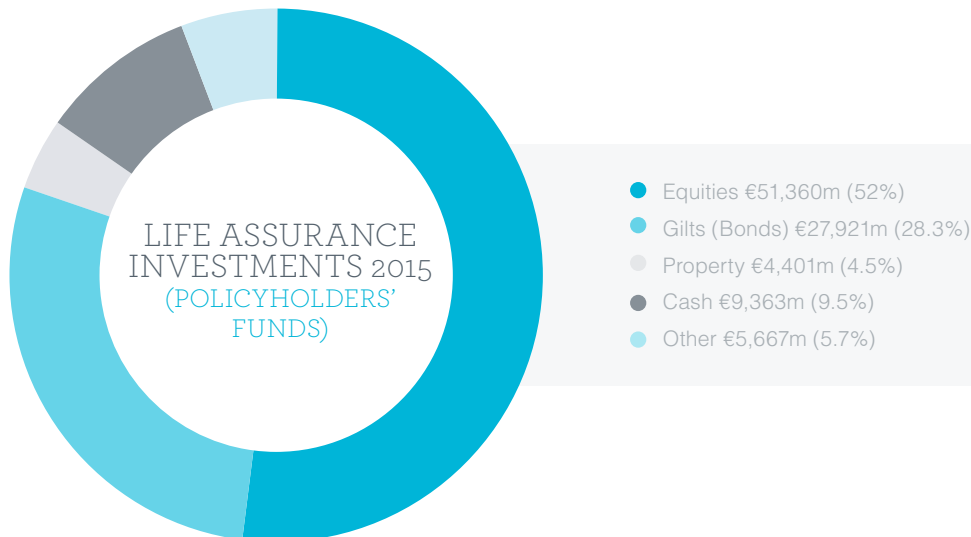
Life office employees and company representatives (direct sales force) saw their share of AP decrease by

two percentage points over the period (to 13%). Their share of SP business also dropped to 4% in 2015.

Direct sales, other than through employed salespeople (e.g. telephone, internet and direct response sales), doubled to 8% in 2015, while their SP also increased to 58%, an increase of 12 percentage points from 2014.

Independent agents' AP business decreased to just 1%, while their SP business remained at 0% for 2015.

The percentage of AP business written through tied agents decreased from 15% in 2014 to 14% in 2015, while SP business written via tied agents increased slightly to 6% in the same period.



The aggregate value of policyholders' funds managed by Insurance Ireland's Life Members increased by 10.6% to €98,712m in 2015. The value of equity payments, which represented 52% of total policyholders' funds at the end of 2015, increased by 14% from €44,972m in 2014 to €51,360m in 2015.

The value of life insurance funds invested in gilts remained relatively static, increasing by just 1% to €27,921m. Gilts now

represents 28.3% of life assurance investments, compared to 30.8% in 2014.

Cash holdings increased from 8.9% in 2014 to 9.5% in 2015, with a value of €9,363m.

Property assets increased from €3,606m in 2014 to €4,401m in 2015. This represents 4.5% of total life assurance investments.

Investments (Policyholders' funds) By Type & Location 2015

	Irish €m	Foreign €m	Total €m
Equities¹	10676	40684	51360
Gilts²	1915	26006	27921
Property³	3336	1065	4401
Cash	2679	6684	9363
Other	4974	693	5667
Total	23580	75132	98712

¹ Inc. preference, guaranteed and ordinary stocks and unit trusts

² Inc. Government, local & public authority securities

³ Inc. own use buildings, office, residential, commercial and individual investment properties and debenture stocks

This table illustrates the breakdown of investments by type and location. 24% of investments were in Ireland in 2015 with a total value of €23,580, compared to €21,037m in 2014. Foreign investments in 2015 were €75,132m, representing 76% of total investments.

45% of domestic investments are in equities, while 14% are in property holdings and 11% are in cash. Gilts were

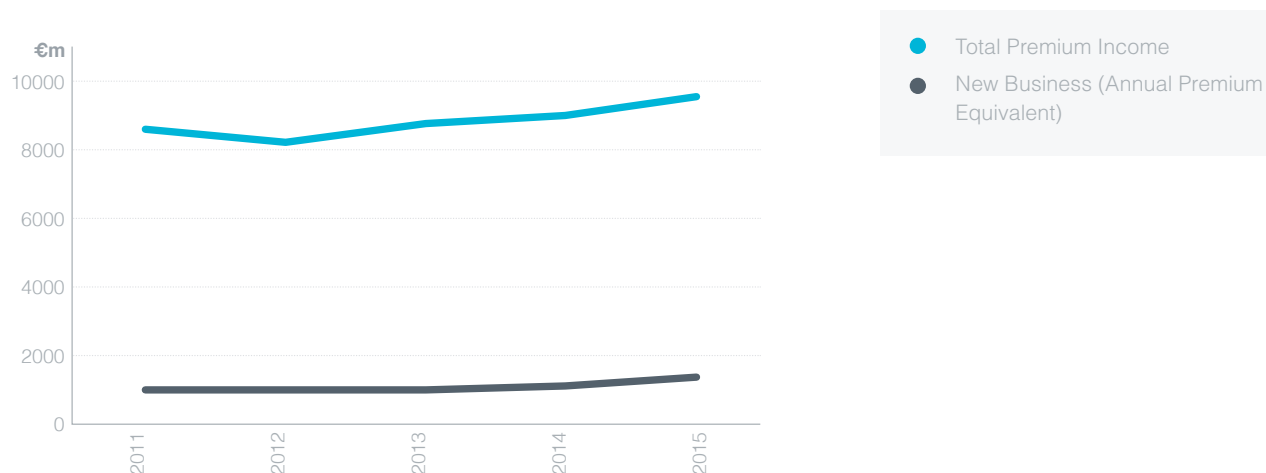
8% of Irish investments in 2015.

54% of the foreign holdings are equities. The second largest foreign asset class is gilts at 35%. The proportion of foreign holdings invested in property in 2015 was 1.4%, while the percentage invested in cash was 8.9%.

Market Trends 2011 – 2015

	2011 €m	2012 €m	2013 €m	2014 €m	2015 €m	Annual Change 2011-2015 %
Premium Income (Annual Premium Business)	3246	3172	2934	2885	3021	-1.8
Premium Income (All Business)	8486	8150	8739	8989	10577	5.7
New Business						
Annual Premiums	448	434	426	490	543	4.9
Single Premiums	5239	4978	5805	6103	7556	9.6
Annual Premium Equivalent (APE)	972	931	1006	1100	1299	7.5
Benefits & Claims	8736	8996	8923	8292	8969	0.7

Life Assurance Premium Income 2011 – 2015



Aggregate premium income amounted to €10,577m in 2015, resulting in an increase of 5.7% p.a. over the five-year period from 2011-2015.

New annual premium business increased from €448m in 2011 to €543m in 2015, representing an increase of 4.9% p.a. over this period.

On an annualised basis, new SP business expanded by 9.6% p.a. between 2011 and 2015.

New business on an Annual Premium Equivalent (APE) basis has increased from €972m in 2011 to €1,299m in 2015, equivalent to an increase of 7.5% p.a. over five years.

Benefits and claims paid increased from €8,736m in 2011 to €8,969m in 2015. Over the five-year period claims payments grew 0.7% p.a.

Investments (by Type) % of Total Value

Asset Category	2011	2012	2013	2014	2015
Equities ¹	46.6	47.6	51.3	50.4	52.0
Gilts ²	31.3	32.7	28.4	30.8	28.3
Property ³	5.1	3.8	3.4	4.1	4.5
Cash	11.1	11.2	11.8	8.9	9.5
Other	5.9	4.7	5.1	5.8	5.7
Total	100	100	100	100	100

¹ Inc. preference, guaranteed and ordinary stocks and unit trusts

² Inc. Government, local & public authority securities

³ Inc. own use buildings, office, residential, commercial and individual investment properties and debenture stocks

Investment in equities as a proportion of total policyholders' funds increased over the five-year period from 46.6% in 2011 to 52% in 2015.

Gilts decreased slightly over the same period, from 31.3% in 2011 to 28.3% in 2015. Property assets, which stood at

5.1% in 2011, declined over the period to 4.5% in 2015.

Cash holdings also declined to 9.5% in 2015, compared to 11.1% in 2011.

Investment Trends (by Location) 2011 - 2015

% of total value	2011	2012	2013	2014	2015
In Ireland	39.2	55.9	23.2	23.6	23.9
Outside Ireland	60.8	44.1	76.8	76.4	76.1

Policyholders' funds invested in Ireland decreased from 39.2% in 2011 to 23.9% in 2015. Approximately 76% of assets by value are foreign.

Insurance Ireland Life Members' Gross Premium Income 2015

Companies	Life Business			Pensions Business		Total €'000
	Annual Premium €'000	Single Premium €'000	Industrial Branch €'000	Annual Premium €'000	Single Premium €'000	
Acorn Life	44002	12101	0	12204	30560	98867
Ark Life	86098	0	0	37112	2403	125613
Aviva Life & Pensions	98267	209607	0	93437	353729	755040
Friends First Life	90027	54737	0	76885	275559	497208
Genworth Financial	0	176	0	0	0	176
Irish Life	506007	905858	0	653354	1208938	3274157
London General Life	0	257	0	0	0	257
New Ireland	269432	523961	68	462139	678086	1933686
Phoenix Ireland	3594	19717	0	3922	8	27241
Royal London*	59024	1951	4259	1076	0	66310
Standard Life	12687	238235	0	55829	1152670	1459421
Zurich Life	190227	338855	0	261533	1548520	2339135
Total	1359365	2305455	4327	1657491	5250473	10577111

*Royal London Ireland (previously Caledonian Life) and Royal London UK

Non-Life Insurance Market

2011-2015

GLOSSARY OF NON-LIFE INSURANCE TERMS

Commission

The money paid out to an insurance intermediary in recognition of the business written by the insurer through the agency of the intermediary.

Cost of Claims Incurred

The total amount paid out in claims during a given period, plus the movement in technical reserves during that period. For example, if an insurer pays out €10m in claims during 2015, and technical reserves stood at €50m at the beginning of the year and increase to €55m by the end of the year, then the insurer's claims incurred cost for 2015 would be €15m (€10m + €(55m-50m)).

Investment Income

Income received on investments PLUS gains/losses realised on disposal of investments PLUS unrealised gains/losses over the period in question on investments held throughout the period.

Management Expenses

The internal expenses of an insurer incurred in acquiring and servicing insurance business.

Operating Result

A non-life insurer's profit or loss after its investment income has been added to its underwriting result.

Gross and Net Premium

Gross premium is the total amount of premium income of an insurer. Net premium is the premium retained by the insurer after it pays for its reinsurance protection. Similarly, gross claims costs are the total claims costs for which the insurer is liable under the policies it issues. Net claims costs take account of reinsurance claims recoveries due to the insurer from its reinsurers.

Written and Earned Premium

Written premium is the actual premium paid by a policyholder for an insurance policy. Earned premium is the premium allocated to the actual exposure to risk arising during a particular period. For example, if an insurance company issues a 12-month policy for a premium of €500 on 1st January 2015, the written premium for 2015 will be €500, and so will the earned premium. But if the same policy is issued on 1st July 2015, the written premium will be €500, but the earned premium will only be €250; the other half of the premium will be allocated to an unearned premium reserve which will be credited to 2016 earned premium. This is because half of the premium is in respect of the exposure to loss during the first half of 2016.

Reinsurance

Insurance protection bought by an insurer to limit its own exposure. The availability of reinsurance protection allows an insurer to expand its own capacity to take on risk. Without a reinsurance facility, each insurer would be able to accept less business.

Technical Reserves

The amounts insurers hold against future payment of claims. There is supervisory control by the Central Bank of the proper estimation of outstanding claims and the nature and spread of assets which can be used to cover technical reserves.

Underwriting Result

A non-life insurer's underwriting result is the profit or loss left after the cost of incurred claims, management expenses, commissions and other costs are deducted from earned premium income.

2015 Key Non-Life Statistics

CLASS	Premiums			Claims		Net Underwriting Result €m	Estimated Investment Income €m	Estimated Net Operating Result €m
	Written		Earned	Net Incurred	No of New Claims Notified			
	Gross €m	Net €m	Net €m	€m				
Private Motor	1002.3	650.1	619.2	590.7	176167	-188.5	50.9	-137.6
Comm Motor	354.9	271.1	261.6	278.5	53842	-81.3	17.9	-63.4
All Motor	1357.2	921.2	880.8	869.2	230009	-269.8	68.8	-201.0
Household	468.2	324.2	340.6	180.2	52373	32.3	8.2	40.5
Comm Property	369.9	210.7	205.0	109.7	20356	6.4	6.5	12.9
All Property	838.1	534.9	545.6	289.9	72729	38.7	14.7	53.4
Employer's Liability	179.8	79.9	78.0	178.1	6707	-144.1	15.3	-128.8
Public Liability	339.5	203.3	209.3	115.7	14005	21.7	22.7	44.4
All Liability	519.3	283.2	287.3	293.8	20712	-122.4	38.0	-84.4
PA/Travel	77.1	64.5	62.0	43.7	28494	0.2	1.0	1.2
Other Business	70.4	53.2	53.2	13.4	42212	14.3	0.8	15.1
Total	2862.1	1857.0	1828.9	1510.0	394156	-339.0	123.3	-215.7

Overview of Non-Life Results for 2015

Insurance Ireland's 19 domestic non-life members write in excess of 95% of Irish non-life insurance business in the established market. Combined, Insurance Ireland members wrote gross premium of €2,862m in 2015 (up 7.7% on 2014). Gross incurred claims costs were €2,101m in 2015 (up 11.1% on 2014).

Motor insurance remains the largest class of non-life insurance with gross written premium of €1,357m (47% of all non-life business). Property is the second largest class of non-life business (29%). Liability insurance accounts for 18% of non-life business and is the third largest class.

Net written premium (i.e., total premium after reinsurance costs have been deducted) was €1,857m (down 14.2% on 2013). Net earned premium was €1829m in 2015 (down 15.4% on 2014).

The number of new claims notified to Insurance Ireland members was 394,156. 58% of new claims were motor claims while 18% were made on property insurance policies (household and commercial property).

Net incurred claims costs amounted to €1,510m (down 9.8% on 2014) leading to a net underwriting loss in 2015 of €339m compared with a net underwriting loss of €241m in 2014. After investment income is added, the market made a net operating loss of €216m in 2015 compared with a net operating loss of €78m in 2014.

Motor Insurance

Gross written premium for motor insurance was €1,357m in 2015 (up 14% on 2014). 74% of motor insurance gross written premium is accounted for by private motor business with the remaining 26% derived from commercial motor

business. Net earned motor premiums amounted to €881m in 2015 (down 15.8% on 2014).

The number of new motor claims notified during 2015 was 230,009 (down 9.9% on 2014).

The motor net underwriting loss was €270m in 2015 compared with a net underwriting loss of €220m in 2014.

Property Insurance

The property insurance class is the second largest sector in the Irish non-life market after motor insurance. The property insurance market is split between household (56% of gross written premium) and commercial property (44%). Insurance Ireland members wrote gross property insurance premium of €838m in 2015 (up 1% on 2014). The property insurance market recorded a net underwriting profit of €39m in 2015 compared with a net underwriting loss of €51m in 2014.

Liability Insurance

Insurance Ireland members wrote gross liability premium of €519m in 2014 (up 5.7% on 2014). Net earned premium was €287m (down 22.4% on 2014).

Net incurred claims amounted to €294m in 2015 (up 6.5% on 2014). Liability insurers made a net underwriting loss of €122m in 2015 compared with a net underwriting loss of €22m in 2014.

Other Non-Life Lines

Insurance Ireland members wrote €77m of personal accident and travel insurance in 2015. This class of business generated a net underwriting profit of €0.2m in 2015 compared with a net underwriting profit of €11m in 2014.

Other classes of non-life business, including marine, aviation and transit (MAT), credit and suretyship, other financial loss covers and legal expenses insurance accounted for €70m in gross written premium in 2015 (down 2% on 2014). These classes of business produced a net underwriting profit of €14m in 2015 compared with a net underwriting profit of €40m in 2014.

Investing Non-Life Premium Income

Non-life insurers' technical reserves are mainly invested in cash and gilts, with only approximately 23% invested in equities. This is because of the need for security balanced by liquidity in order to meet claims and other short-term liabilities. This investment approach is in contrast to the investment portfolios of life and pensions companies, which are principally invested in assets that historically give a better long-term return, in particular equities.

INSURANCE OPERATING RATIOS

Non-Life Insurance Operating Ratios 2015

	Claims Ratio %	Commission Ratio %	Management Expenses Ratio %	Combined Operating Ratio %
Total	82.6	11.3	24.2	118.0
Motor	98.7	7.8	22.8	129.2
Liability	102.3	14.6	26.3	143.2
Property	53.1	14.1	26.5	93.7
PA/Travel	70.4	8.7	19.6	98.6
Other	25.2	29.8	18.1	73.1

A number of key ratios are used to assess the cost of claims, and the efficiency and profitability of non-life insurance business.

- The **claims ratio** measures the cost of claims incurred as a proportion of premiums earned. In 2015 the Insurance Ireland non-life market produced a net claims ratio of 83%. In other words, claims cost 83 cent out of every €1 earned in premium. The claims ratio varied between sectors: in motor insurance it was 99% while in liability and property the claims ratio was 102% and 53% respectively
- The **management expenses** and **commission ratios** are calculated by comparing the internal management expenses of insurance companies and commissions paid to intermediaries with premiums. In 2015 the net commission ratio was 11% and the net management expenses ratio was 24%
- The **net combined** or **operating ratio** combines the claims, commissions and management expenses ratios. The operating ratio for the non-life market was 118% in 2015. In other words, this meant that the non-life market made a loss of 18 cent on underwriting insurance for every €1 of premium in 2015

Non-Life Insurance Market Results 2011 -2015

	Gross Written Premium €m	Net Underwriting Result €m	Investment Income €m	Operating Result €m	Profit Premium %
2011	3554	213	191	404	11.37
2012	3331	-87	278	191	5.73
2013	2993	-222	107	-116	-3.88
2014	3069	-238	176	-62	-2.02
2015	2862	-339	123	-216	-7.55
5 Years	15809	-673	875	201	1.27

Sources: 2011-2014 data is taken from the Central Bank's Insurance Statistics (2011-2014); and 2015 data – Insurance Ireland
 1. The data for 2011-2014 is taken from the Central Bank's Insurance Statistics (2011 - 2014). These publications contain returns for all insurers. The data for 2015 is based on data supplied by Insurance Ireland members. As the Insurance Statistics publications do not provide a breakdown for every class of business, the data in the seven subsequent charts has been created from data supplied by Insurance Ireland members for all years. This explains the discrepancies between the first and the seven subsequent charts.

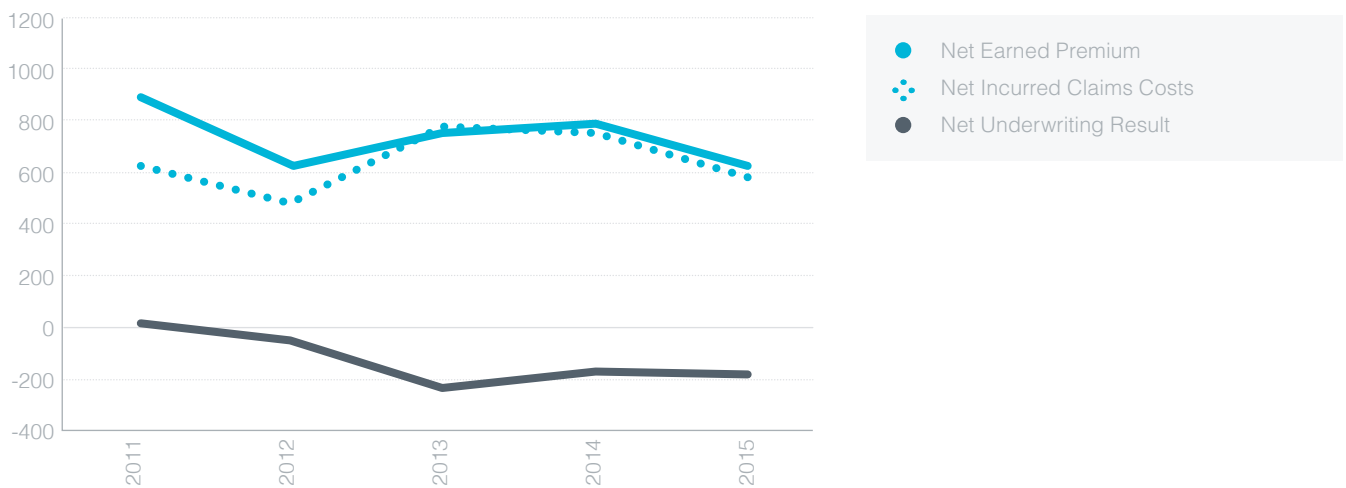
The chart illustrates the net underwriting result, investment income attributable to the underwriting account and the operating result for the non-life business market for the

years 2011 to 2015. After investment income is taken into account, the 19 non-life insurers made a net operating loss of €216m in 2015.

Private Motor 2011-2015

	Net Earned Premium €m	Net Incurred Claims Costs €m	Net Underwriting Result €m
2011	889	622	26
2012	634	476	-57
2013	757	778	-234.5
2014	796	751	-176.9
2015	619	591	-188.5

Private Motor 2011-2015



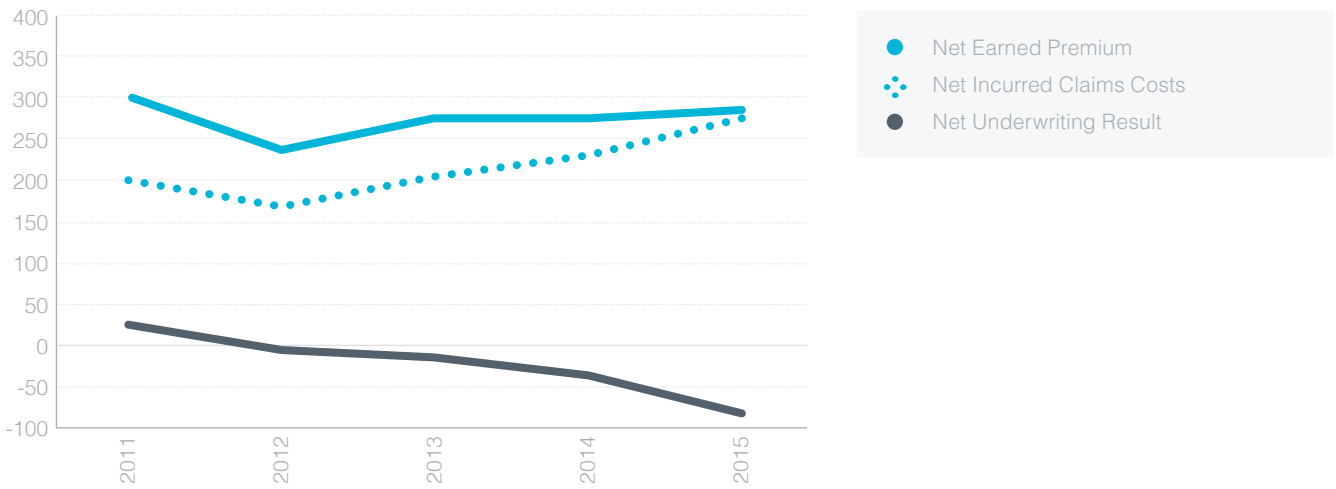
There has been a private motor net underwriting loss for the past four years with losses over the past three years being particularly acute. Volatility in the personal injury claims

environment in the form of high court awards and legal fees is the main reason for this.

Commercial Motor 2011 - 2015

	Net Earned Premium €m	Net Incurred Claims Costs €m	Net Underwriting Result €m
2011	300	203	26
2012	239	167	-7
2013	256	208	-19
2014	250	228	-43
2015	262	278	-81

Commercial Motor 2011 – 2015



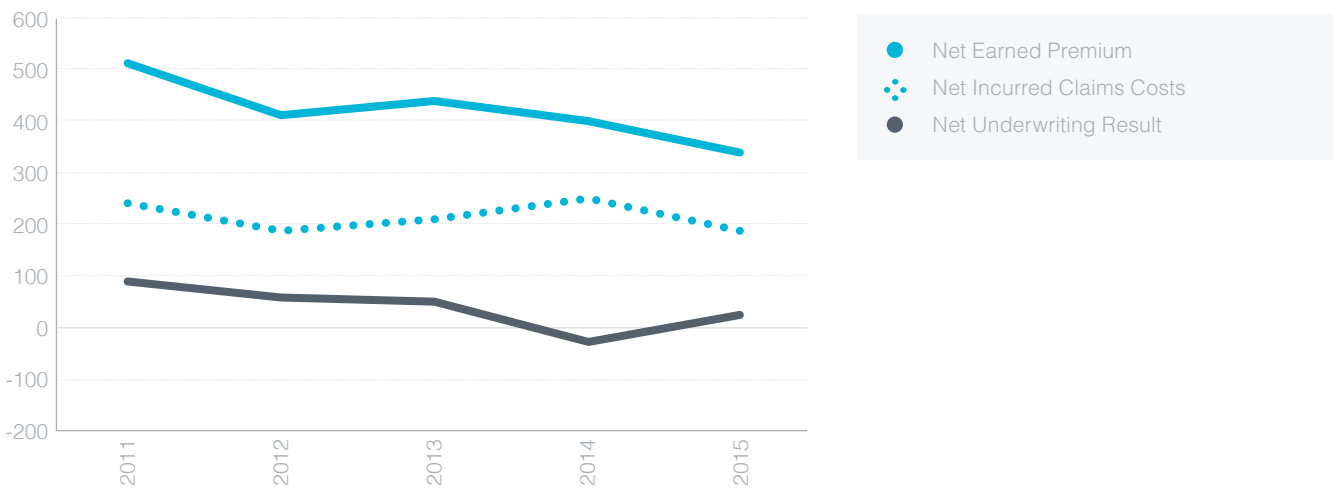
As one would expect, commercial motor trends are similar to private motor. Again, there have been net underwriting

losses in four of the past five years with, in commercial motor's case, a pronounced increase in losses in 2015.

Household 2011 – 2015

	Net Earned Premium €m	Net Incurred Claims Costs €m	Net Underwriting Result €m
2011	508	245	95
2012	415	194	59
2013	434	210	54
2014	401	246	-32
2015	341	180	32

Household 2011 – 2015



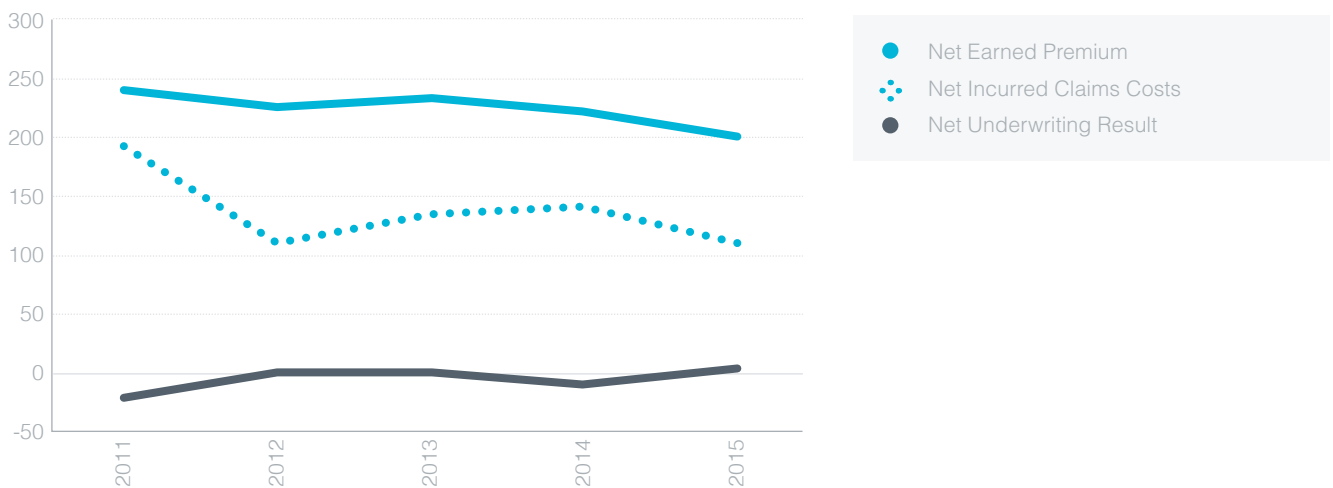
The net underwriting result in household has been positive over the past five years with the exception of 2014. The storms and floods of December 2015 and early January

2016 resulted in approximately €70m in claims, of which €29m were household claims.

Commercial Property 2011-2015

	Net Earned Premium €m	Net Incurred Claims Costs €m	Net Underwriting Result €m
2011	238	181	-27
2012	226	115	8
2013	233	136	1
2014	220	141	-19
2015	205	110	6

Commercial Property 2011-2015



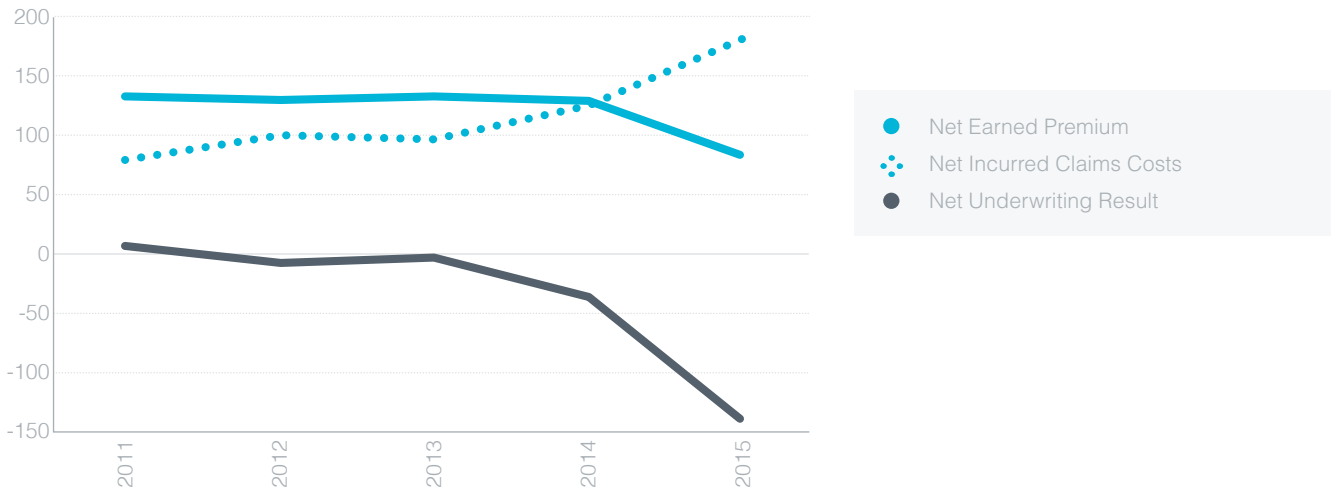
The net underwriting result in commercial property has been negative when one takes all five years together. Following an underwriting loss of €19m in 2014 there was a net

underwriting profit of €6m in 2015. The storms and floods of December 2015 and January 2016 resulted in approximately €33m in commercial property claims.

Employer's Liability 2011- 2015

	Net Earned Premium €m	Net Incurred Claims Costs €m	Net Underwriting Result €m
2011	132	76	16
2012	130	99	-13
2013	134	93	-8
2014	132	124	-36
2015	78	178	-144

Employer's Liability 2011- 2015



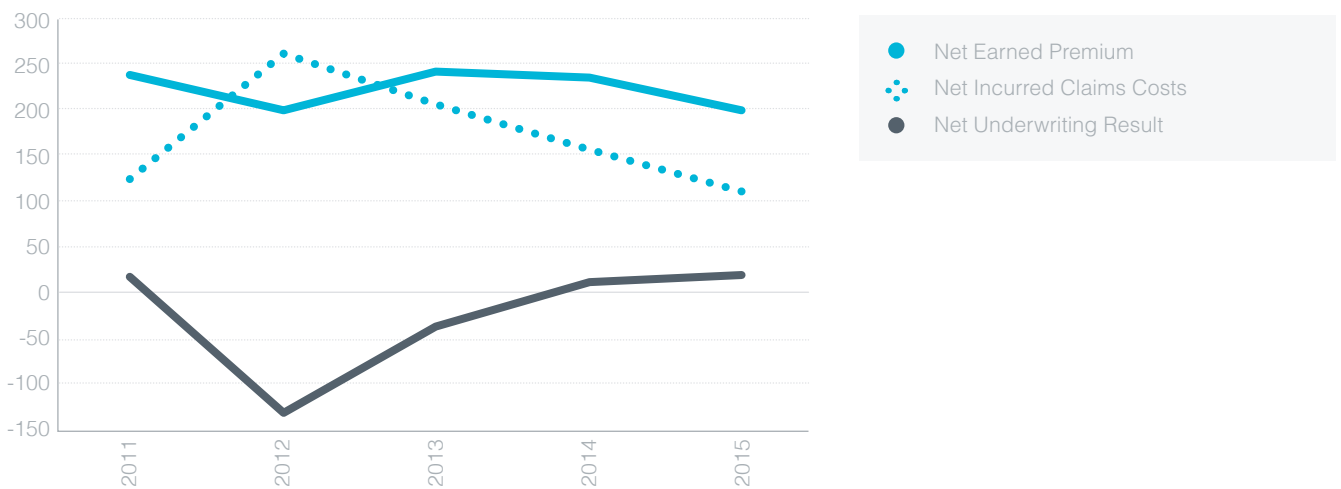
There has been a net underwriting loss in employer's liability in four of the past five years. This is not surprising as the employer's liability class is subject to the same challenges

as motor with underlying volatility and inconsistency in court awards contributing to higher claims costs.

Public Liability 2011-2015

	Net Earned Premium €m	Net Incurred Claims Costs €m	Net Underwriting Result €m
2011	235	125	45
2012	204	268	-128
2013	241	209	-38
2014	238	152	14
2015	209	116	22

Public Liability 2011-2015

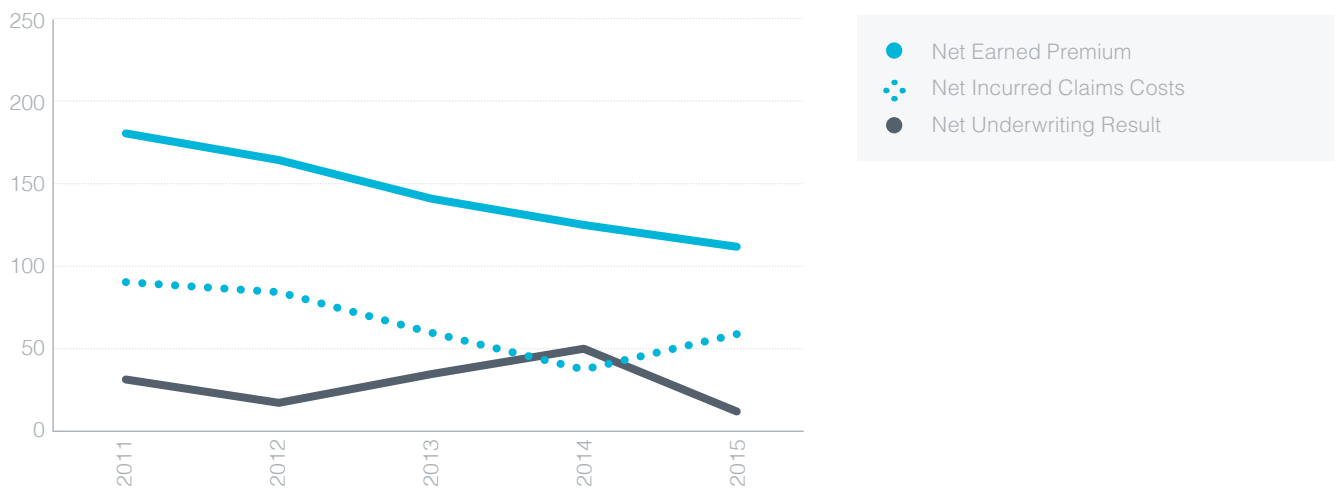


The public liability net underwriting result has been negative when one takes the five years 2011 – 2015 together.

Other Classes 2011 – 2015

	Net Earned Premium €m	Net Incurred Claims Costs €m	Net Underwriting Result €m
2011	179	89	30
2012	165	82	19
2013	141	58	34
2014	126	33	51
2015	115	58	14

Other Classes 2011 – 2015



Other classes of insurance include personal accident, travel, and financial loss insurances. These classes have been profitable over the past five years. However, the net

underwriting profit reduced to €14m in 2015 from €51m in 2014.

Insurance Ireland Non-life Members' Gross Written Premium 2015*

Companies	Motor	Property	Liability	PA/Travel	Other Classes	Total
ACE	814	17144	21410	24760	9433	73561
AIG	101168	36146	93830	12015	1153	244312
Allianz	162665	146109	74704	4336	10698	398512
Amtrust	0	18	6350	0	180	6548
Aviva	213845	132656	48959	4244	1617	401321
AXA	326957	59745	3491	1888	0	392081
DAS	0	0	0	0	5925	5925
DeCare	0	0	0	4637	0	4637
Ecclesiastical	0	6367	2970	199	414	9950
Euro Insurances	531	0	0	0	0	531
FBD	164342	121242	71710	5969	0	363263
Genworth Financial	0	0	0	0	15252	15252
Irish Public Bodies	6803	23808	76054	1213	2236	110114
Liberty Insurance	125522	27743	19915	0	0	173180
London General	0	273	0	0	8831	9104
MAPFRE	0	0	0	11479	5437	16916
RSA	146742	142307	30162	5300	2021	326532
Travelers	6286	13467	14730	0	0	34483
Zurich	101547	111068	55012	1016	7171	275814
Total	1357222	838093	519297	77056	70368	2862036

* excludes health insurance

International Market

2011–2015

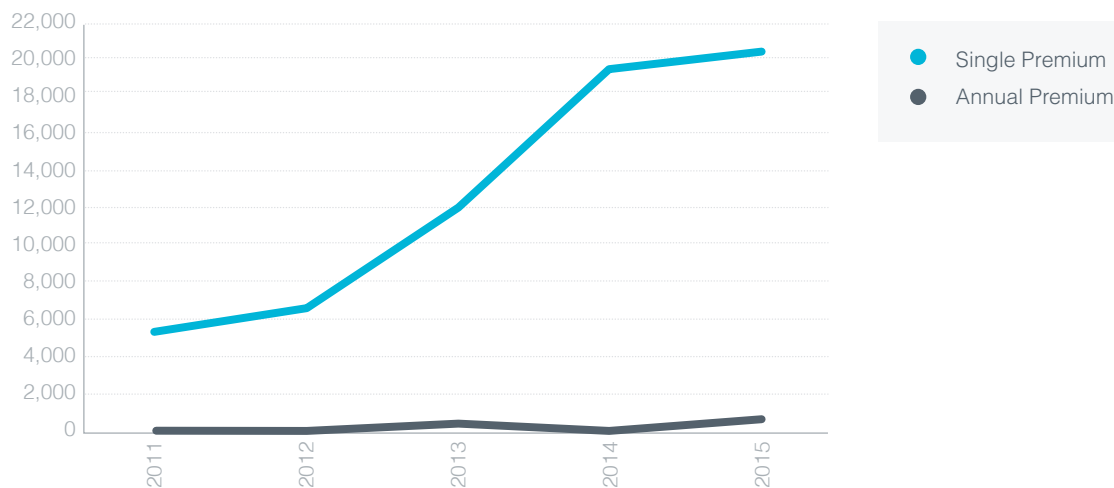
2015 Key International Life Statistics (in €m)

	Annual Premium (1)	Single Premium (2)	A.P.E. (1) + 10% of (2)
EU	296.2	20256.6	2321.9
Non EU	0.2	326.1	32.8
Total	296.4	20582.7	2354.7

The vast majority of international premium income is new single premium income. In 2015, the figure for Insurance Ireland's International life members was €20,583m which is an increase of 5.8% on last year's figure of €19,450m.

Annual premium income for 2015 was €296.4m. This is a 20% increase on the figure for 2014 of €247.1m.

Market Trends (2011 – 2015)



Over the five-year period from 2011-2015, single premium business has grown from €5,371m in 2011 to €20,583m in

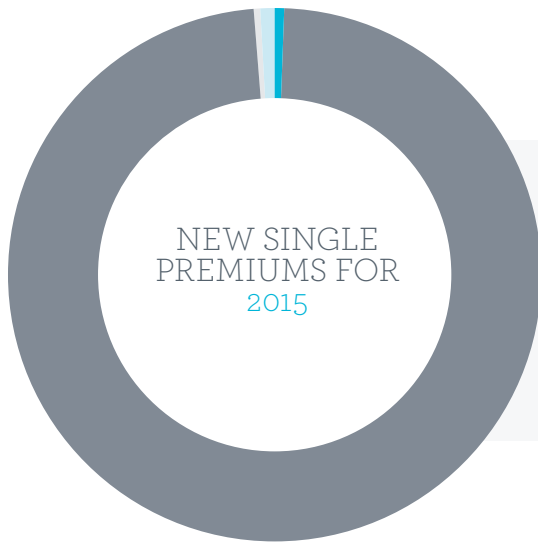
2015. Annual premium income also increased from €67m to €296m over the same period.

**International life companies - country of business analysis of new business premiums for year ending 31/12/2015
(in €'000)**

Country of Business*	Single Premiums	Regular Premiums
Austria	0	0
Belgium	24,770	334
Bulgaria	13	1,836
Cyprus	35,722	92
Czech Republic	6,064	10,067
Denmark	0	0
Estonia	0	0
Finland	221,753	14,966
France	137,959	27,530
Germany	154,647	62,090
Greece	0	0
Hungary	2,161	1,989
Ireland	46,596	13,013
Italy	15,735,872	52,025
Latvia	0	0
Lithuania	0	5
Luxembourg	9,789	212
Malta	131,808	0
Netherlands	412	187
Poland	0	8
Portugal	88,626	13,697
Romania	0	0
Slovakia	2,345	10,326
Slovenia	0	0
Spain	186,110	10,297
Sweden	433,534	4,109
United Kingdom	3,038,413	73,452
Total EU	20,256,594	296,235
Rest of Europe (non-EU)	239,686	82
Rest of World	86,448	159
TOTAL	20,582,728	296,476

* Note: Country of Business should be taken as country of residence of policyholder.

The top two countries for single premium business were Italy and the United Kingdom. EU countries made up 98% of total single premium and more than 99% of total regular premium.



€ 000's

- Class I: € 125,642 (0.6%)
- Class II: € 0 (0.0%)
- Class III: € 20,277,142 (98.5%)
- Class IV: € 16,089 (0.1%)
- Class VI: € 163,856 (0.8%)

Total New Single Premiums: € 20,582,729 (100%)



€ 000's

- Class I: € 82,864 (28%)
- Class II: € 0 (0.0%)
- Class III: € 163,712 (55.2%)
- Class IV: € 49,901 (16.8%)
- Class VI: € 0 (0.0%)

Total New Regular Premiums: € 296,477 (100%)

Class I: Life Assurance and contracts to pay annuities on human life, but excluding contracts within Classes II and III

Class II: Contracts of Insurance to provide a sum on marriage or birth of a child

Class III: Contracts linked to investment funds

Class IV: Permanent Health insurance contracts

Class VI: Capital redemption operations

Total: 20,879,206

Insurance Ireland International Life Members' New Business Figures 2015

Companies	Annual Premiums € 000's	Single Premiums € 000's	Total € 000's
Aegon Ireland	0	384,506	384,506
AXA Life Europe Ltd	77	423,412	423,489
AXA MPS Financial Ltd	17,222	3,873,746	3,890,968
Canada Life Assurance Europe	55,670	131,181	186,851
Darta Saving Life Assurance	13,218	3,296,132	3,309,350
Generali PanEurope	29,725	1,501,391	1,531,116
Intesa Sanpaolo Life	0	5,827,817	5,827,817
MetLife Europe	120,655	761,889	882,544
Old Mutual International Ireland Ltd	1,163	308,175	309,338
Prudential International Assurance (Ireland)	3,924	1,108,951	1,112,875
SEB Life International	4,526	894,865	899,391
St. James's Place International	33,036	629,374	662,410
The Lawrence Life Assurance	5	525,493	525,498
Zurich Life International Assurance	17,256	915,797	933,053
Total	296,477	20,582,729	20,879,206

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